Remunerative Price for Tobacco

1127. DR. Y. LAKSHMI PRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether tobacco farmers of Andhra Pradesh are agitated over not getting remunerative price of tobacco despite its high foreign exchange value; and

(b) if so, the role played by the Tobacco Board to assist the farmers in this regard?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) The average price realised for the total quantity of 147.18 million kgs. of tobacco marketed during 1999 Andhra Pradesh tobacco auctions (Feb.-Aug. 99) was **Rs. 34.85 per kg.** as against Rs. 40.12 per kg. realised in the previous year. Prices have fallen from the VIII week and tobacco growers started agitating for remunerative prices for their tobacco, although the Minimum Support Price (MSP) fixed for F2 and L2 grades of VFC tobacco for 1999-2000 season is fixed at Rs. 25 per kg. and Rs. 27 per kg. respectively and the Minimum Guaranteed Prices (MGP) for the year 1999 agreed by the traders were at Rs. 28, Rs. 30.50 and Rs. 34.50 per kg. for the black cotton, southern light and northern light soils tobacco respectively.

(b) Tobacco Board had advised farmers that excess productions would result in a fall in prices and fixed a target of 99.82 million kgs. keeping in view the large quantities of carryover stocks with traders and the likely decline in international demand. The Board constantly monitored the market situation, persuaded the manufacturers, exporters and the other trade members to purchase tobacco at prices remunerative to the growers. Faced with the vast excess crop of over 50 million kgs. the Board acted as per the decision of the Government and facilitated the State Trading Corporation of India Ltd. (STC) and Andhra Pradesh Tobacco Growers Cooperative Union (APTGCU) to enter into the market and purchase tobacco directly at the auction platforms to bail out the growers from the

distress situation. Purchase made by the two Government Organisations to assist the farmers are as follows:

	Quantity (Million Kgs)	Average Price (Rs. per Kgs.)
STC	4.763	30.03
APTGCU	3.237	31.21

Global Foreign Direct Investment

1128. SHRI SANTOSH BAGRODIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that global foreign direct investments soared by 39 percent whereas it fell by 4 percent in developing countries for development of new industries and trade; and

(b) if so, what is Government's plan to attract more FDIs in India for putting up new production facilities with state of art world class technologies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) As per World Investment Report, 1999, World Foreign Direct Investment (FDI) inflow has shown a growth of 38.7% in 1998 cover 1997 whereas in developing countries it declined by 3.8% during the corresponding period.

(b) With a view to attracting more foreign direct investment (EDI), the FDI policy has been formulated and is continuously reviewed so as to make it investor-friendly and to boost inflows of foreign direct investment and new technologies in the country, particularly in infrastructure/core sector, keeping in mind national priorities. The Foreign Investment Implementation Authority (FIIA) has been set up to facilitate speedy implementation of approved FDI projects.